

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	
PACIFIC COAST INVESTMENT COMPANY)	
)	No. D03-143
An Unauthorized Entity, and;)	
)	<i>AMENDED</i>
Phil CHESTERFIELD; Debbie CHESTERFIELD; Ray SALGADO;)	ORDER TO
and all Officers and Employees of the above entity and/or persons.)	CEASE AND
)	DESIST

Pursuant to RCW 48.02.060; 48.02.080, and RCW 48.15.020, the Office of the Insurance Commissioner ("OIC") orders Pacific Coast Investment Company and the individuals named above and their officers, directors, trustees, agents, employees and affiliates ("Respondents") to immediately cease and desist from

- A. engaging in or transacting the unauthorized business of insurance in the State of Washington, including the collection of premium monies;
- B. soliciting, continuing renewing, and/or obtaining any unauthorized insurance business in the State of Washington;
- C. soliciting Washington residents to purchase any plan or policy or coverage for indemnification of loss in the event of default of a borrower, unless such plan or policy is underwritten by an admitted insurer and transacted by persons licensed to transact the business of insurance in the State of Washington;

THIS ORDER IS BASED ON THE FOLLOWING:

1. Violation of RCW 48.05.030, Certificate of authority required; RCW 48.17.060, License required; and RCW 48-15.020, Solicitation by Unauthorized Insurer Prohibited:

Respondents offer a "General Offering Circular for Securities Involving Mortgages, Trust Deeds or Real Estate Sales Contracts," dated 1/24/03, to members of the general public. This Circular is labeled "For Washington Residents Only."

On page 32 of this Circular, Respondents offer to potential investors a "Payment Assurance Plan" with two (2) options, both of which state that, "...if the borrower goes into

default..." (The Respondent) "...is obligated to commence making payments and advancing costs..." (To investors) within certain specified time periods of the default.

Respondents have not applied for or been granted, a certificate of authority or license to act as an insurance agent or an insurer in Washington. Respondents have not submitted to OIC any appropriate certificate, license, or other document issued by another agency of this state, any subdivision thereof, or the federal government permitting or qualifying Respondents to provide such insurance coverage in this state.

Any violation of the terms of this Order by Respondents, their officers, directors, agents, or affiliates, will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, 48.15.020(3), and other applicable Code sections.

Respondents have the right to demand a hearing pursuant to chapters 48.04 and 34.05 RCW. This Order shall remain in effect subject to the further order of the commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington, this 25th day of July, 2003.

MIKE KREIDLER
Insurance Commissioner

By: _____
Carol Sureau
Deputy Commissioner
Legal Affairs Division
Office of Insurance Commissioner
State of Washington